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tion ought to succeed. In 1895 the government had already permitted gold to be used in domestic transactions. Inasmuch as the measure was opposed by a majority of the state council it has become a law by imperial decree. Yet it seems to have the opposition of economists and financiers at home. By the rapid acquisition of gold in recent years Russia has outstripped Austria-Hungary, and has been the first to reach the actual redemption of her paper money in gold. It does not mean, however, that Russia has changed from the double to the single gold standard, only that she has changed from her old régime of paper (originally to be redeemed in silver) to a gold basis.

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#### THE TAXATION OF EXPRESS, TELEGRAPH, AND TELEPHONE COMPANIES IN OHIO.

On the 1st of February the Supreme Court of the United States handed down a decision in the Ohio and Indiana tax cases that is destined to mark a new era in the taxation of corporations doing an interstate business. It is one of the most important judgments rendered by the court in many years, as it vastly extends the power of state legislatures over interstate corporations. And if the court is not ready to discriminate in favor of partnerships and individuals it is difficult to see why the ruling of the court should not also be made to apply to them when they are engaged in interstate commerce. This adjudication comes as a surprise from the court which two years ago handed down the decision in the federal income-tax cases.

By this judgment there is established as valid a new principle of taxation—that of valuation of the property of corporations for purposes of taxation on the basis of capital stock. Under the acts of the General Assembly of the State of Ohio passed April 17, 1893, and May 10, 1894, express, telegraph, and telephone companies are taxed in three different ways: (1) on their real estate, (2) upon their gross receipts on business done within the state, (3) they are additionally assessed by a state board. This Board of Appraisers consists of the auditor, treasurer, and attorney-general. By the Act of May 10, 1894, all persons and companies engaged in express, telephone, and telegraph business are required to report annually to the Board of Appraisers; the reports to show the length of lines operated, value of stock, and earnings for the preceding year. Upon these statements as a

basis the board fixes the taxable values of the property possessed and distributes this among the counties *pro rata* of the length of line contained. Under this new law the rate of taxation and the method of collecting the taxes do not differ from those of the ordinary taxes levied in the state. The innovation appears in the manner of appraising the property affected by the law, namely, the property of express, telegraph, and telephone companies. To this assessment the companies took exception, contending that the law provided a special method of taxing particular property, and was therefore unconstitutional. For the three years in question the state board increased the valuation of property assessed under this law from \$289,862 to \$4,249,702.

The cases were decided in favor of the state, Chief Justice Fuller delivering the opinion of the court. He did not deliver his opinion in writing, contenting himself with the oral announcement that the decision of the court below had been affirmed. The court was almost evenly divided in opinion upon the cases, the vote being five to four in favor of sustaining the decision of the lower court. Mr. Justice White delivered the dissenting opinion; he was supported by Mr. Justice Harlan, Mr. Justice Brown, and Mr. Justice Field.

The Chief Justice also delivered the decree of the court in the Indiana cases, which involved the extent of the taxing power of the state as applied to express and telegraph companies in Indiana. The cases involved the validity of the state law of 1893, which empowers the State Board of Tax Commissioners to assess taxation other than that of a local nature upon express, telephone, telegraph, palace-car, sleeping-car, dining-car, and fast-freight companies. As the questions involved were similar to those settled in the Ohio cases the law was upheld.

GEORGE G. TUNELL.

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## GOLD AND SILVER IN TERMS OF COMMODITIES.

PRICE being a ratio between money and commodities, changes of price may result from causes affecting either money or commodities. But, for the time being, we may omit all consideration of changes arising from commodities (such as diminished cost of production); in that case the purchasing power of gold and silver in terms of commodities may be represented by lines based on figures obtained from the usual tables of prices. These may be obtained by the following formulæ :